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Federal Government Affairs

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December 4, 2003

Ms. Marlene Dortch Secretary Federal Communications Commission 445 12th Street, SW, Room TWB-204 Washington, DC 20554

Re: Notice of Written Ex Parte Communication, In the Matter of Review of

the Commission's Rules Regarding the Pricing of Unbundled Network
Elements and the Resale of Service by Incumbent Local Exchange

Carriers, WC Docket No. 03-173

Dear Ms. Dortch:

In its August 6, 1996 *Local Competition Order*, the FCC adopted a forward-looking cost standard for interconnection pricing that it labeled "total element long-run incremental cost," or TELRIC. Since creation of the TELRIC standard, TELRIC has been extensively discussed, debated and litigated and few issues arising from the '96 Act have produced greater controversy or more widespread fundamental misunderstanding.

In an effort to address many of the false beliefs that surround TELRIC – and with the purpose of examining TELRIC and its related components on a comprehensive economic basis -- AT&T has commissioned a series of essays on critical issues related to the basics of TELRIC and the economics that support it. The first of these essays, along with a Forward that will introduce the essays and put them in context, are attached for inclusion in this record. The balance of the essays will be submitted separately.

Consistent with Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the above-referenced proceedings.

Sincerely,

Joan Marsh

cc: Tamara Preiss

Steve Morris Jeremy Marcus